

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
75th Oregon Legislative Assembly  
2009 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>HB 2405-A</b>
<b>Revenue Area:</b>	Telecommunication Taxes
<b>Economist:</b>	Mazen Malik
<b>Date:</b>	4/07/09

**Measure Description:**

Defines the Internet Protocol and Voice over Internet (VOIP) communication services. Prevents the regulation of rates of the Voice over internet services, the terms and conditions of service, or market entry. Attempts to grandfather-in authorities and fees imposed by political subdivisions on telecommunication companies.

**Revenue Impact:**

The impacts on local governments and particularly cities might be significant. LRO recommends that this bill be referred to the committee on revenue for further exploration of the impacts. The impact of this measure will need to be sifted out of all the legal nuances nested in this bill.

**Impact Explanation:**

The regulations and taxation of telecommunications, cable, and the internet are entangled with federal law and regulations. VOIP (voice over internet protocol), and IP (internet protocol) are becoming new forms of communications that the local government and the telecommunication companies have not gotten to settle yet. It seems like there are several lawsuits and other litigation that is ongoing at this time. It is not clear at this point how this measure will add clarity to the complexities and confusions surrounding these issues.

**Creates, Extends, or Expands Tax Expenditure:**      Yes  No